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Sino-American Relations in the Era of Globalization—A Framework for Analysis

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Introduction: Sino-American Relations and the "Five C's"

The coming decade could provide the opportunity for the United States to consolidate stable Sino-American relations and expand U.S.-China cooperation on a wide range of global and regional issues. The U.S. and China face many common challenges in a period of rapid globalization and growing strategic interdependence. Successful cooperation on a wide range of specific bilateral and international issues of strategic importance to both sides such as counter terrorism and non-proliferation could serve to reduce lingering suspicions of each other's strategic intentions and pave the way for development of "normal" relations between the two nations.

This period could also lead in a different direction. China and the U.S. face many obstacles in the path of smooth development of bilateral relations and the expansion of strategic cooperation. They continue to have often-sharp differences over many bilateral issues, including trade and human rights. Cross-Strait relations especially remain a potential source of serious tension and even conflict between the U.S. and China. And deep suspicions of each other's long-term strategic intentions remain on both sides, especially those resulting from China's emergence as a great power and apparent U.S. determination to prevent the rise of a peer competitor. Some Americans are concerned that China might use its growing economic and political influence in East Asia to reduce U.S. regional influence in a zero-sum contest for strategic advantage. They also warn that China might use its growing military power for aggressive purposes against Taiwan or China's neighbors. Some Chinese likewise suspect that the U.S. seeks to slow China's economic growth, circumscribe its political influence and prevent the reunification of Taiwan with the Mainland. In short, differences over specific bilateral and international issues and mutual suspicions may limit improvement of relations or even lead to a protracted period of strategic competition and even military conflict.

This analysis is cautiously optimistic that the first path-that toward building more robust Sino-American ties is possible and that appropriate U.S. and Chinese policies can encourage the development of a long-term, stable relationship as well as a U.S.-China strategic partnership on a broad range of issues of strategic importance to the United States. Such a relationship will not be conflict-free or without competitive aspects, especially in the political and economic realms. And a robust U.S. presence in East Asia, including strong alliance relationships with Japan and other traditional U.S. allies, will continue to be important to maintain regional stability, provide reassurance to regional states during this period of "China's rise", and to "hedge" against the possible emergence of a more conflictual relationship with China as well as possible conflict over Taiwan. But the United States is not likely to conclude that a strategy of containment toward China is either necessary or feasible. Similarly, China will likely continue to pursue a strategy of seeking close ties with the United States rather than adopt an anti-hegemonist coalition strategy to counter American power and influence.[i] At the same time, the Chinese will likely seek to develop closer ties and cooperation with the European Union and other powers to bolster China's bargaining position vis—vis the United States and hedge against the possibility of a sharp deterioration in Sino-American relations.

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A key factor underlying my optimism is the assessment, argued in this paper, that "globalization" is reshaping the global strategic environment. In this new strategic situation, the interests of the United States and China will limit strategic competition between them and compel closer cooperation to respond to shared strategic threats and challenges. Globalization has led to converging though by no means identical national interests in many critical areas and a common interest in maintaining the overall global system of regimes, treaties and organizations governing international economic, political and security relations to the benefit of both countries. This high-level common interest does not preclude sharp differences over specific issues, but it is likely to create pressure on the United States and China to cooperate in many areas to defend, maintain and strengthen the system and to restrain them from pursuing containment or confrontational strategies toward each other.

Globalization has led to what could be called the "Five C's":

（1） Increasing ***constraints*** on U.S. and Chinese strategic options vis-a-vis each other created by growing strategic interdependence.

（2） Expanding ***common interests*** on an increasingly wide array of international and global issues.

（3） Increasing need for bilateral and multilateral ***strategic cooperation*** to meet the twin challenges presented by the globalizing and non-globalized worlds and transnational threats.

（4） Inherent ***contradictions*** in globalization leading to conflicts over a myriad of issues that are often created by or exacerbated by globalization and the growing integration, interdependence and mutual vulnerability of globalizing states.

（5） On-going ***competition*** for political and economic advantage between nation-states in the global arena, although not zero-sum strategic competition for overall dominance.

1. Constraints on U.S. and Chinese Strategic Options

Globalization has created a new "strategic interdependence" among globalizing states as these states' economic power has become increasingly dependent on maintaining, deepening and broadening economic ties with other globalizing states and the international system of peace and stability in which those economic ties thrive. Jockeying among states for political influence and economic advantage will continue, but this is likely to occur almost exclusively within the parameters of the international system that the major powers, now including China, recognize must be respected and jointly defended to preserve their own national interests. Thus, although successfully globalizing states may be economic and political competitors in the future, they are not likely to be strategic competitors in a zero-sum contest in which gains for one power, including economic, are necessarily a loss for the other, and in which their long-term strategic goal is to weaken if not defeat the other power as was the case in the U.S.-Soviet strategic competition of the Cold War. Rather, these states will find the growth, prosperity and security of other powers essential to their own security and economic well-being. This view contradicts the views of prominent Realists, who see a clash between the established dominant power and a rising power, specifically China, as virtually inevitable, and call for efforts to slow and contain the growth of Chinese power.[ii] In my view, however, the use of force or threat of force to gain strategic advantage or to settle disputes among the globalizing states is likely to be viewed by leaders as potentially high cost/high risk without comparable, if any, benefits, and thus not likely to be pursued as deliberate policy-although miscalculation can never be ruled out entirely, and in the case of China and the United States, the Taiwan issue, which is left over from the pre-globalization era, holds the potential for direct military conflict between the two globalizing powers.

The Bush Administration has expressed optimism about the prospects for the major powers avoiding conflict. President Bush, in his 2002 National Security Strategy report, declared that "today, the international community has the best chance since the rise of the nation-state in the seventeenth century to build a world where great powers compete in peace instead of continually prepare for war. Today, the world's great powers find ourselves on the same side-united by common dangers of terrorist violence and chaos."[iii] And Ambassador Richard Haass, as President Bush's Director of Policy Planning in the State Department, said in 2002, "war between the great powers" is "almost unthinkable."[iv] Even Secretary of Defense Donald Rumsfeld noted in early June, 2004, that "future dangers will less likely be from battles between great powers, and more likely from enemies that work in small cells, that are fluid and strike without warning anywhere, anytime enemies that have access to increasingly formidable technology and weapons."[v]

2. Common Interests increasing in the Globalization Era

Failing States and Transnational Threats Challenge Globalizing Nations

Globalizing states are increasingly vulnerable to threats that emanate from weak and failing states that is, from the *least* globalized states and non-state actors who utilize those countries. These threats range from terrorist cells operating from territories outside of state control to transnational crime, regional conflict, religious extremism, massive refugee flows, environmental damage with global consequences, and the incubation and spread of infectious diseases-all of which threaten not only those states themselves but also the security of the globalizing world. Consequently, the globalizing states face a new strategic imperative to enhance their bilateral and multilateral cooperation to meet the near and long-term challenges posed by the least-globalized states and help bring those states into the globalizing world and become "succeeding" rather than failing nations.[vi]

The new strategic reality may be understood as another form of the bipolarity, albeit vastly different than the division of the world during the Cold War. The world is now divided not between two superpower-controlled blocs, but between the areas of relative stability, order, prosperity, interconnectedness and interdependence among the globalizing states-including Europe, North American, and much of Eurasia, Northeast and Southeast Asia, and Latin America-and the areas of relative instability, disorder, economic decline and little interconnectedness or interdependence, including some areas of Southeast, South and Central Asia (and North Korea in Northeast Asia) and much of the Middle East, Sub-Saharan Africa and parts of the Caribbean and Latin America.[vii] Evidence of the security implications of this new division of the world is demonstrated by U.S. use of force in the last fifteen years, which has been exclusively in and against weak, failing and "rogue" states. This new "bipolarity" is inherently fuzzy and unstable, however, since these divergent areas shift over time, are not clearly demarcated, may even be within states, and are not self-defined blocs like NATO and the Warsaw Pact as no country wants to be a "failing state."

Some strategists, foreign policy experts, and government officials will continue to be concerned primarily about a potential long-term threat posed by the rise of a "peer competitor" among the globalizing states, that is, China, rather than about the threats from the non-globalized world. Planning will continue in the Department of Defense for possible military conflict with Beijing over Taiwan.[viii] Nevertheless, for the foreseeable future, the strategic foci of U.S. national security policy will likely be on working with globalizing states to manage the challenges and threats emanating from non-globalized, failing states, including pursuit of the "global war on terror" (GWOT), the unfinished conflicts in Iraq and Afghanistan, and the struggle to democratize the Middle East. This new strategic reality was outlined in President Bush's September 2002 National Security Strategy, which implied a new strategic map that is likely to define the challenges of the 21st Century for the United States, Europe, China and other globalizing states.

Globalizing States Face Unrelenting Challenges

Globalization also poses unrelenting challenges to managing the globalizing world. Globalization has had a transforming impact on the world in the last quarter century that has been accelerating with no respite in sight. In the words of an ancient Chinese poem, "the tree prefers calm but the wind will not subside." The changes wrought by globalization are profound and affect almost all aspects of life from shifting the tectonic plates of geopolitics to vastly expanding international people-to-people communications via the internet. The National Intelligence Council report, *Mapping The Global Future*, notes that whereas in their previous report, *Global Trends* 2015, "we viewed globalization as among an array of key drives, we now view it more as a mega-trend'-a force so ubiquitous that it will substantially shape all of the other major trends in the world of 2020."[ix] The process driving globalization forward, which is inherently disruptive and relentless,[x] played a major role in the demise of the Soviet empire and the opening up of China and India, thus bringing nearly 3 billion additional people into the globalizing world.

Globalization is rapidly integrating the world economy-and increasing interdependence for economic growth and prosperity. Ghadar and Peterson, in *Global Tectonics: What Every Business Needs to Know*, note that corporations are conducting business across a much more highly integrated global economic system.[xi] They cite the example of the Airbus Consortium: "Britain exports the aircraft's wings, while Germany supplies the fuselage and the tail. Spain manufactures the doors, and France oversees cockpit production and final assembly. More than 800 American companies supply in excess of 35% of the Consortium's aircraft components, with 1,500 other providers located in approximately 30 additional counties. Airbus employs some 48,000 people, representing more than 50 nationalities, and is now one of the many corporations that contract foreign companies to manufacture products that are then sold around the world."[xii] This global integration also creates critical business vulnerabilities to disruptions from both suppliers of components and purchasers of finished products.

Thus, globalization, while creating such increasingly integrated global economy and promising greater prosperity and ever-advancing technology for many people on the planet, may also be creating an even more volatile world economy in the future as trade, financial, investment and manufacturing platform links among globalized states growing wider and deeper, thus leaving these countries even more mutually vulnerable. In addition, globalization is likely to continue to widen discrepancies in wealth within and between nations with potentially volatile implications.[xiii] Moreover, demographic trends are also likely to dramatically alter geopolitical equations with youth population bulges, rapid urbanization, and creation of megacities in the developing world on the one hand, and increasing numbers of retired workers and shrinking populations in most of the developed countries on the other.[xiv]

The world is also facing unprecedented and converging environmental problems that have been exacerbated by globalization and which increasingly pose international and even global threats requiring coordinated international responses. Jared Diamond, in *Collapse: How States Choose to Fail or Succeed,* outlines twelve environmental problems facing modern societies and concludes not only that each is a serious threat but that many are interlinked and mutually reinforcing.[xv] Diamond maintains that "our world is presently on a non-sustainable course, and any of our twelve problems of non-sustainability would suffice to limit our lifestyle within the next several decades. They are like time bombs with fuses of less than 50 years." Diamond concludes that "because we are rapidly advancing along this non-sustainable course, the world's environmental problems will get resolved, in one way or another, within the lifetimes of the children and young adults alive today. The only question is whether they will become resolved in pleasant ways of our own choice, or in unpleasant ways not of our choice, such as warfare, genocide, starvation, disease epidemics, and collapses of societies."[xvi] Diamond may be overly pessimistic,[xvii] but there is little doubt environmental problems are worsening, broadening in scope and impact, mutually reinforcing, and increasingly global. These dangers, which could become major threats to economic prosperity and even national security, are likely to require international responses, and thus compel nations to cooperate.

Globalization has also made possible terrorism like that pursued by Al Qaeda: the reach of terrorists can be global; the means at their disposal may include weapons of mass destruction that have been produced and disseminated in the globalization process; their method of organization and communication may rely heavily on the internet, computers and other high-technology that provides part of the backbone of globalization itself; the target of their attack may be globalization itself; and terrorist attacks may have a global impact. The 9.11 attack was, of course, the signature event for this connection of globalization and terrorism. Although the terrorists did not use nuclear, chemical or biological weapons to carry out their assault on the World Trade Center and Pentagon, the attack was planned in one of the world's least globalized states on the other side of the planet using modern means of transportation and information technology. In Iraq, international terrorist organizations are, in effect, using advanced "supply chain" methods of the global economy to maintain a continuous flow of suicide bombers.[xviii] In addition, the attack represented a backlash to globalization. The aim of the attack was not a specific political objective but to radically affect the world situation by inflicting grievous harm on the United States and the world economy. The connection between globalization and the new international terrorism is not just a coincidence but rather globalization has contributed to motivating such terrorism and to making it feasible. That is, the roots of global-reach terrorism are, paradoxically, in both the impact of globalization and the failure of states to be globalized, especially to modernize their societies and economies.

The Challenges Posed by "Rising China"

"Rising China" which has been the result of and contributed to globalization-has become perhaps the single most important factor shaping the rapidly-changing geopolitical landscape of the 21st Century.[xix] China has become the largest "delta" or change factor in the world economy. Higher world energy and commodity prices are attributed largely to China's rapidly increasing demand, spurred in turn by China's seemingly perpetual economic growth of around 8-9% per year. China's emergence as the world's manufacturing platform is compelling a restructuring of global manufacturing networks and even national economies. China is now a magnet for low-skill jobs "outsourced" by the U.S. and other advanced countries; it is also increasingly "moving up the food chain," producing highly-educated workers to entice multinational companies to set up research and development centers in China, thus raising a new round of fears about outsourcing innovation and high-paying jobs from the United States. China is also the largest recipient of foreign direct investment (FDI) in the world, with more than $60 billion received in 2004 and nearly $570 billion received since 1982. China has become the world's third largest trading country behind the U.S. and Germany and ahead of Japan, with $1.15 trillion in trade in 2004 (nearly balanced between exports and imports with a net surplus of only $32 billion). Inexpensive goods from China have maintained downward pressure

on prices of manufactured consumer goods in the United States and throughout the world, helping stave off inflation and benefiting consumers but also extracting a "China price" for other manufacturers globally to compete with China's low-cost goods. Critically, China holds $200 billion in U.S. treasury bonds and over $600 billion in foreign exchange, helping to finance the U.S. trade and budget deficits as well as U.S. imports of Chinese goods. In short, China has a huge impact on the world economy, on the U.S. economy, and on U.S. global, regional and bilateral economic interests.

China has paid the price for its stunning economic growth of becoming increasingly interdependent with the U.S. and the world economy.[xx] Nearly forty percent of China's gross domestic product (GDP) is based on exports and more than 50% of those exports are generated by foreign companies operating in China. A loss of markets for exports or termination of foreign enterprise operations in China would be devastating for the Chinese economy and likely lead to social unrest and political instability in China. And this combination of economic decline and internal instability would likely result in a sharp reduction in China's absolute and relative comprehensive national power.

China's political system, in contrast to the rapid advancement of the economy, struggles to keep pace with the demands of participation in the global economy and the social and economic dislocation-as well as demands for political accountability-that globalization engenders. China's rigid authoritarian system is viewed by many as the source of structural impediments to economic reform (as well as continuing violations of human rights) and the potential source of severe economic crisis and social instability. China's leaders are acutely aware of the social and political tensions created by the widening income gap between the rich and poor as well as between the coastal and inland areas, and they have placed a high priority on addressing these issues. China experiences thousands of local protests every year by disgruntled workers and peasants, angered by corruption, environmental damage, layoffs and other grievances. The leadership has been willing to experiment with democratic elections at the village level, apparently in a bid to hold local officials more accountable, limit corruption and let off some steam. But Chinese leaders, apparently fearing the spread of demonstrations and political unrest and apparently worried that greater democracy could lead to greater instability and threaten Communist Party rule, have responded by taking steps to strengthen one-party rule rather than to further democratize the political system.

While China's domestic problems are far from American shores, severe political, social and economic distress in China-home to one-fifth of the world's population-would dramatically affect the interests of U.S. businesses, U.S consumers, and the entire world economy-an example of the mutual vulnerability that is exacerbated by globalization and strategic interdependence. Thus, the U.S. has a growing stake in China's economic viability if not success at the same time that Americans hope for a political transformation of China toward greater democracy, accountability and respect for human rights.

Managing the additional adverse impact on the environment of the emergence of China as well as India and other rising powers will be another major strategic concern of the 21st Century. China especially represents an environmental challenge as both a consumer of natural resources, including oil, and a despoiler of the environment, from production of greenhouse gases and acid rain to deforestation, pollution and exhaustion of the water supply.[xxi] One extreme calculation by Lester Brown of the Earth Policy Institute illustrates the potential impact of China: "if the Chinese use oil at the same rate as Americans now do," according to Brown, "by 2031 China would need 99 million barrels of oil per day. The world currently produces 79 million barrels per day and may never produce much more than that."[xxii] Moreover, global warming and other environmental affects of such an increase in global energy consumption could be massive and unsustainable. In short, the world will have to find alternatives to maintaining the current course in resource consumption and environmental damage by China, India and other rising economies-as well as by the United States and other developed nations. It is unlikely that these countries can duplicate the U.S. model in per capita consumption of resources even if they manage to catch up with the current level of U.S. per capita income. This is one of many high-priority international challenges requiring global strategic cooperation that China's rise is exacerbating.

China's international diplomacy also has a growing impact on U.S. regional and global interests. The Chinese have played a positive role in addressing many strategic concerns of the United States, including the war on terrorism and efforts to counter the proliferation of weapons of mass destruction (WMD). China's decision to organize and host the Six-Party Talks aimed at eliminating North Korea's nuclear weapons program was unprecedented and welcomed by the United States. China has taken other steps to increase its positive international engagement, including joining a wide range of international organizations and regimes established under the leadership of the United States over the last 60 years. In addition, the Chinese have committed military and police

personnel to more than a dozen UN peace-keeping operations over the past decade.[xxiii] China has also employed considerable diplomatic and economic means to improve relations with neighboring countries and build confidence in its intentions. China took the lead in establishing the Shanghai Cooperation Organization to work with Russia and Central Asian states to address common security threats, especially terrorism, and to eventually develop a political and economic community. In Southeast Asia, China has eased concerns about its territorial claims in the South China Sea, has established the ASEAN plus One mechanism for dialogue with regional states, and agreed to the creation of a Free Trade Agreement with ASEAN.

Coping with China's rise, which has been spurred by globalization, has become a primary focus of geopolitics in East Asia and of U.S policy in the region. Although the Chinese economic juggernaut has played a key role in Japan's economic recovery and in the rising prosperity of East Asia as a whole, Sino-Japanese political relations deteriorated sharply in early 2005 with deepening mutual suspicions, aggravated on the Japanese side by growing unease at China's growing economic, political and military power. China's political-economic strategy toward Southeast Asia effectively diffused previous tensions over the disputed South China Sea and eased (but not eliminated) concerns about China as an economic competitor as well as a potential military threat while opening new investment and trade opportunities in Sino-ASEAN relations. Yet China's "success" in Southeast Asia has created disquiet throughout the region and sown fears in the United States that China's rise will be at U.S. expense.[xxiv] And while China has played a constructive role in establishing and bringing North Korea into the Six-Party talks, the North Korea nuclear weapons issue remains unresolved, and many people in the United States and the region maintain that China is not putting sufficient pressure on North Korea to resolve the issue. China's March 2005 Anti-Secession Law also raised concerns that Beijing was stepping up pressure on Taiwan and increasing the risks of military conflict in the Taiwan Strait. Beyond Asia, China's apparent willingness to place its energy interests above international humanitarian and non-proliferation concerns in its relations with Iran and Sudan has provoked concern that China is prepared to go its own way at the expense of U.S. interests and international norms, although not necessarily international law.

Concerns about China's growing economic power and diplomatic influence have been fueled by the modernization of the Chinese military. Although China's military modernization appears focused primarily on Taiwan contingencies, including preparing for possible military conflict with the United States, the improvements in Chinese military capabilities have raised doubts in the United States about China's intentions beyond the Taiwan Strait. China's increasing naval activities in areas surrounding Japan have heightened Japanese suspicions of China, further aggravating the already cool political relationship between Beijing and Tokyo despite burgeoning Sino-Japanese economic ties.

Not surprisingly, business leaders, politicians, policymakers, analysts and the general public in the United States and elsewhere in the world have viewed China's rise as either creating new opportunities or posing new dangers-or both. Much of the U.S. and global business community has seen a "must be there" opportunity to sell in the Chinese market as well as to exploit China's export manufacturing platform for a global supply chain built on China's seemingly endless supply of low-paid workers and potential consumers. At the same time, U.S. political and business leaders also see a wide range of increasing threats from China's extraordinary growth, outsourcing, surging energy and commodity prices, to the emergence of credible competitors in higher value markets, such as the December 2004 purchase of the iconic IBM PC business by the Chinese computer maker Lenovo. U.S. political leaders have welcomed China's cooperation on terrorism and non-proliferation efforts, including the Six Party Talks, but view with concern China's growing activism and influence in Asia, its posture toward Taiwan and its military modernization program.

China's New Perspective on its National Interests

The new strategic environment of globalization has led to a profound shift in China's view of the world and Chinese interests. China's extraordinary economic growth has transformed China from a virtual non-player 25 years ago into a key factor in today's world economy with a greatly increased international presence and influence-and a commensurate national security interest in maintaining a peaceful strategic environment and a healthy global and regional economy. Chinese leaders are aware that China has benefited as much from globalization as any other country in the last three decades-and that this benefit has been obtained at the "cost" of concomitant strategic interdependence. This cost is not only seen in mutual and shared vulnerabilities with other major states, especially the United States, but also in the limitations on Chinese sovereignty of integration into the globalizing world as symbolized by China's agreement to change its domestic laws and institutions as the price of entrance into the WTO

and attracting huge amounts of FDI. In addition, as noted above, the 9.11 attack on the United States highlighted China's new vulnerability to the fate of its international partners since the Al Qaeda terrorist attacks could also have jeopardize China's economic development and political and social stability if they had succeeded in crippling the American economy.

Bordered by a number of countries that have provided safe haven to terrorists, including Afghanistan, Pakistan and some Central Asian states, China also has began to recognize the urgency of responding to the threats emanating from weak and failing states, including not only global terrorism and proliferation of weapons of mass destruction to unstable or hostile regimes and non-state actors, but also piracy, international crime and smuggling networks, incubation and spread of deadly diseases, and regional conflicts and humanitarian crises. This recognition has lead China closer to U.S. perspectives on the dangers emanating from failing states and to accepting rationales for international intervention in the internal affairs of other countries.[xxv] The shift in Chinese perspectives on terrorism has been accompanied by signs of significant changes in Chinese strategic thinking and foreign policy more generally.[xxvi]

China's growing strategic interdependence and its increasing stake in the international system have created a new imperative for China to cooperate with the United States-and other major powers-to manage the global and regional economy and to maintain international peace and security. This new strategic paradigm also stimulated a re-thinking of China's economic diplomacy and foreign policy[xxvii] and its perspective on the role and policy of the United States.[xxviii] President Hu Jintao and Premier Wen Jiabao have encouraged a trend toward a more nuanced view of the United States role in the world, including tacit acceptance of U.S. "leadership." In the past, the Chinese viewed U.S. "hegemony" as inherently illegitimate and threatening to China. The emerging-and still controversial-view in China accepts the value-even the need-for a benign U.S. hegemony or leadership in the world as long as the United States does not engage in hegemonic behavior toward China itself, especially over Taiwan.[xxix]

Hu and Wen also adopted a more open and proactive foreign policy. This new activism has been especially apparent in establishing the Six-Party Talks and in China's burgeoning political and economic cooperation with Southeast Asian nations. If sustained, such actions would signal the embrace of a new international role for China, aimed at taking and demonstrating a greater responsibility for maintaining a peaceful and stable international environment. They would also help reassure the world that the rise of China will be peaceful and supportive of the international system rather than aggressive, disruptive and ultimately catastrophic like the rise of Germany and Japan in the 20th Century. The Chinese leadership has concluded, according Chinese officials and policy advisers, that the only way China, as a rising power, can avoid conflict with the dominant power, the United States, is not only to eschew challenging the current hegemon but also to forge a close partnership with it. Although Chinese leaders are not likely to articulate this strategic view so explicitly, they have reassured U.S. officials that China does not seek to reduce or eliminate U.S. presence, including military presence, in the Asia Pacific region and that China wants to cooperate with the United States on a wide range of issues of strategic importance to both countries. The Chinese are critical of many aspects of Bush Administration foreign policy, especially U.S. "unilateralism" and the doctrine of preventive war. But most Chinese critiques of U.S. foreign policy parallel those of U.S. allies in Europe and many American critiques as well rather than based on "anti-imperialist" and "anti-hegemonist" principles that animated Chinese foreign policy in the past.

Regional Issues Transformed by Globalization

Globalization has had a broadly transformative effect on East Asia's key regional conflicts, especially the unresolved Taiwan issue, the North Korean nuclear weapons dispute and broader questions regarding the future of the Korean Peninsula. Only a generation ago, industrial North Korea, backed by the Soviet Union and China, seemed to be the economically and militarily stronger power. Today, North Korea is in many ways a failing state which has been left in the dust by a prosperous South Korea. The South is an economic powerhouse and, in some areas, a global technology leader. South Korea has "capitalized" on its interconnectedness with globalization while the North has economically declined due in large part to its self-imposed economic and political isolation as well as to the end of subsidies from Russia and the continuation of only "life support" aid from an alienated China. Moreover, North Korea's drive to acquire nuclear weapons also may have been a response to the shifting balance of comprehensive national power under globalization as Pyongyang sought a "cheap equalizer" in nuclear weapons to compensate for a declining economy and defense industrial base that could not compete with the South in conventional weaponry. As North Korea has become more disconnected from the globalization process that is enveloping the rest of East Asia and apparently willing to engage in high-risk, aggressive behavior, its chief patron,

China, has become more enmeshed in globalization, more dependent on regional stability, and less willing to tolerate the provocative and dangerous behavior of its erstwhile ally.

Regarding the Taiwan issue, China's deep enmeshment in globalization, while leading to its extraordinary prosperity, has also resulted in China becoming strategically interdependent with the United States, Japan and other major economic powers, dramatically raising the economic as well as political cost to Beijing of using military force to resolve the Taiwan issue. A loss of markets for exports or termination of foreign enterprise operations in China, including nearly 60,000 Taiwan businesses operating on the Mainland, would be devastating for the Chinese economy, likely leading to social unrest and political instability and thus to a sharp decline in Chinese national power. This does not eliminate the possibility that China will use military force to deter Taiwan independence or even to "resolve" the Taiwan issue and rising nationalism coupled with generations of propaganda about the unity of China could compel Chinese leaders to take actions contrary to China's larger strategic interests. But it does suggest that China's rapidly growing economic and political power, while providing the resources for shifting the bilateral military balance across the Strait, have not lowered the political, economic and strategic costs to Beijing of military conflict with Taiwan and the United States.

The nature of the Taiwan issue also has been transformed as Taiwan has evolved into a democracy in part resulting from Taiwan's extraordinary economic growth and technological development over the last quarter century under globalization. The economic convergence between Taiwan and the Mainland and their increasing economic integration spurred by globalization has not, however, led to political convergence. Taiwan's democratization has led to a greater assertion of "Taiwan identity" and even support for Taiwan independence or permanent separation from the Mainland. As long as the Mainland and Taiwan fail to find common ground for a permanent settlement or at least a long-term "peace and stability framework," cross-Strait relations will be a potential flashpoint for war, including military conflict between the U.S. and China. Even short of war, the on-going build up of Chinese and U.S. forces preparing for such a confrontation is likely to continue to contribute to mutual suspicions about each other's strategic intentions.

3. Cooperation: A Strategic Necessity

The U.S., China and other globalizing states have a growing shared interest in the health and integrity over the overall international system. In addition, they increasingly face common threats to their national interests and security. These threats cumulatively pose a strategic threat, in some ways as demanding as that posed to the United States and its allies and friends by the Soviet Union and the Warsaw Pact during the Cold War. Moreover, like the Cold War, most of the challenges, dangers and threats faced by the globalizing states, including the United States and China, cannot be managed solely or even primarily through unilateral measures. Thus, the globalizing states face a compelling strategic imperative to cooperate in managing the globalizing and non-globalized worlds as the interconnectedness and interdependence among globalizing countries broadens and deepens. These new threats are more diverse, diffuse, and often do not originate with the actions of a state and thus they are more difficult to recognize as a strategic set of problems.

The United States, China and other major powers are likely to find that they increasingly face common strategic threats and share strategic interests that compel them to find new ways to enhance cooperation as well as to avoid conflict. The new strategic environment of the globalization era calls for placing more emphasis on cooperative or parallel responses among the major powers to address common strategic threats and dangers and less emphasis on counter-balancing strategies to respond to perceived potential strategic threats posed by each other and the shifting balance of power. Most of the security challenges facing these powers, including from transnational threats, emanate from or are exacerbated by weak and failing states. The Bush Administration has expressed optimism about the prospects of the great powers working together to meet common threats and challenges rather than engaging in a protracted balance-of-power struggle for dominance despite continued concern within the Administration that China's rise could eventually pose a strategic challenge to the United States. Richard Haass, as Director of the Bush Administration Policy Planning Staff in the State Department said in April 2002 that "we can turn our efforts from containment and deterrence to consultation and cooperation. We can move from a balance of power to a pooling of power."[xxx] As a result of this new strategic reality, Secretary of Defense Rumsfeld also called for the United States to: strengthen its partnerships with existing allies and friends and work with new ones; develop greater flexibility to deal with the unexpected; focus on more rapidly deployable capabilities and power rather than simply static presence and mass; and break down artificial barriers between regions in planning.[xxxi]

Besides greater bilateral cooperation among the globalizing states, enhanced international cooperation and perhaps new multilateral mechanisms will be necessary to meet the dangers and challenges emanating from weak, failing and rogue states and transnational threats, on the one hand, and the challenges of managing relations and conflicts among globalizing states on the other. The need for such cooperation is readily apparent in many areas from the fight against Al Qaeda, which reportedly has terrorist cells in some sixty countries, to stopping the spread of infectious disease like the 2003 outbreak of SARS.

Bilateral and multilateral cooperation, while necessary to respond to the most serious security threats facing the globalizing states, also could serve to build "habits of cooperation" and strengthen strategic trust among the globalizing states, including China and the United States. This would contribute to developing both the bilateral and multilateral institutional infrastructure and the mutual confidence to maximize the prospects for successful management of the new world of strategic interdependence.

4. Contradictions Foster Conflicts among Globalizing States

Although globalization has created a wide range of shared interests among globalizing states, comprehensive international cooperation on these sets of strategic problems will be difficult to achieve and sustain since globalizing states are increasingly mutually vulnerable to the political, social and economic instability and conflicts within and among other globalizing states as well as to the volatilities of the international economy. The many contradictions that are inherent in or spawned by globalization often seem to preoccupy nations and inhibit or prevent their ability to place higher priority on common concerns and threats. Some of the contradictions of globalization that inhibit international cooperation, including between the United States and China, include:

· Globalization is inherently disruptive as societies open to outside influences, which include "creative destruction" and economic dislocation as national economies become increasingly integrated with each other and thus increasingly vulnerable to the vagaries, advances, and "leveling" of the world economy, including global labor arbitrage.[xxxii]

· Globalization's disruptive impact can threaten traditional cultures, religions, ways of life, elites' prerogatives, the economic well-being of subnational groups as well as entire nations, and ultimately lead to social and political instability. The "no" votes on the European Constitution by France and the Netherlands in May and June of 2005 were apparently motivated in large part by concerns about globalization threatening the standard of living in these countries.

· The interconnectedness of globalization, especially via increasingly widely available and nearly-instantaneous media, leads to greater awareness of differences between people in one country or subnational groups and those in other nations and groups. Global awareness seems more often to enhances the sense of "otherness" and even threat posed by other states as well as different cultures and religions rather than to heighten individual's, groups' and nation's sense of common humanity and shared interests.

· Globalization can thus lead to greater resentment of other nations and groups as the perceived cause of painful economic disruptions, as Americans, for example, point to "outsourcing" of jobs to India and China as the cause of unemployment in the United States.

· Globalization's contradictions can fuel nationalism and nationalist pressures on leaders to take positions on trade, politics and security issues that are detrimental to or a diversion from broader strategic interests international cooperation. Globalization's information flows, for example, can lead to greater awareness of foreign "insults," such as the Japanese government's approval of history textbooks that gloss over Japan's World War II atrocities, exacerbating pressures on Chinese and South Korean politicians to "stand up" against the foreign threat or humiliation.

· Globalization's pressures can exacerbate religion's tendency to reinforce narrow tribalism-"us versus them" -views of other subnational groups, other countries or religions, complicating efforts at international cooperation on a wide range of issues. Moreover, religious "Truth" can often be invoked to insist that no compromises can be made on vital issues such as responses to sexually transmitted diseases and demographic pressures.

· Despite unprecedented prosperity and growth on a global scale, globalization has coincided with or contributed to a growing income gap between rich and poor within countries like China and between countries and regions. [xxxiii]This wealth gap coincides with increasing awareness of the riches of the rich by the poor and disenfranchised, potentially fueling social and political conflict and instability. Moreover, while "all ships may rise" among the globalizing states, some will benefit more-and rise faster-than others, possibly exacerbating uncertainties, competition and conflicts.

There is often only a small political constituency in most countries for basing national policy on long-term strategic considerations and the need for international cooperation rather than on the exigencies of the moment, domestic political considerations, and narrow definitions of national interest. There may be an evolution of human society toward increasing complexity and the need for cooperation[xxxiv]-which is shown in everyday transactions on a global scale-but public consciousness has not kept pace with this growing interdependence.

5. Competition for Political and Economic Advantage

The new strategic environment does not eliminate political and economic competition between globalizing states, competition which may intensify in response to the rise of China and India. But that competition is likely to remain within a framework of strategic interdependence and thus a mutual interest in preserving the larger framework of competition, that is, the institutions and the rules of the game. Such a pattern exists between the U.S. and its traditional allies in Europe and Japan, in which disputes ranging from the war in Iraq to genetically-modified foods can lead to bitter, nasty and protracted political conflict do not put the entire relationship in jeopardy much less raise the prospect of military confrontation. Evolution of such a "normal" relationship between the U.S. and China may be possible in the coming decade, although the Taiwan issue is an "abnormal" element in Sino-American relations which has the potential for military confrontation and which in peacetime requires the militaries of both sides to prepare for possible military conflict. Yet, even regarding Taiwan, U.S. and Chinese leaders have a common interest in maintaining stability and preventing conflict.

Is Globalization Irreversible

Even if this is a viable analysis of the dynamics of globalization, what developments might change that calculus for the United States and China? A U.S.-China military conflict over Taiwan would, of course, have a potentially catastrophic impact on both countries (as well as Taiwan) that would ricochet throughout the world, including the world economy and the future of the globalization process. Many other developments or crises also could undermine globalization and the world economy and challenge the trend toward greater strategic interdependence in a globalizing world. A global depression that led to a contraction of economic ties, greater protectionism, and a reversal of the trend toward strategic interdependence could occur as a result of many different factors, such as a significant economic crisis in China, a massive terrorist attack on the United States, perhaps with WMD, extremist takeovers in Saudia Arabia and other oil producing states, a rapidly spreading and lethal disease resulting from natural causes, bioterrorism, or "bioerror" from a biotechnology experiment or a global environmental disaster.[xxxv] Even in such potentially catastrophic cases, however, the international response could be closer cooperation among the globalizing states rather than increased conflict. Moreover, much of the fabric of globalization-especially the interconnectedness through the Internet and other communications flows-might be sustained or quickly reconstituted and the expansion of the economic globalization process resumed eventually rather than be permanently set back or even abandoned.

Political leaders will have to maintain a strategic perspective on the need for international cooperation to preserve and strengthen the international system and to meet the challenge of failing states in the face of domestic pressures to pursue narrow national interests in conflicts with other globalizing states or in response to transnational threats. This has already proven difficult between the U.S. and its traditional allies and could be even more difficult in relations with China. And rising nationalism globally-including in China and Japan-is already complicating management of relations among the globalizing states.

Prospects for Closer U.S.-China Strategic Cooperation

Will China and the U.S. become strategic competitors-even military rivals-in the early 21st Century rather than develop normal relations or even a limited strategic partnership? After the demise of the Soviet empire, many strategic thinkers began to look for another comparable "peer" competitor that might emerge to challenge the United States in the 21st Century. China became the likely candidate for a variety of reasons, including its rapid economic rise, its nominally communist, authoritarian government, its sheer size and military potential, and its Cold War legacies, including the Taiwan dispute. China's potential to be the second most powerful country in the world and the military preparations by the Chinese and U.S. militaries for a possible military conflict in the Taiwan Strait have reinforced the perception among some analysts that China will inevitably be a strategic competitor and even an inevitable adversary in military conflict.[xxxvi]

This outcome is neither inevitable nor even most likely. The prospect that the United States and China will be able to avoid relationship-threatening crises on the one hand and build a strategic partnership on the other is strengthened by the larger picture of the new strategic realities of major power relations and the twin strategic

challenges of the 21st Century. The process of globalization has created new strategic restraints and imperatives for globalizing nations, including China and the United States. The strategic interdependence of the globalization era creates disincentives to zero-sum, strategic competition and places constraints on aggressive behavior toward each other despite continued jockeying for political influence and economic advantage within the parameters of the international game that the major powers, now including China, recognized must be respected and jointly defended to preserve their own national interests. At the same time, major powers like the United States and China increasingly face common strategic threats that cannot be managed unilaterally but rather require bilateral and multilateral cooperation and thus compel these states to find new ways to enhance cooperation.

The recent past, during which the United States and China have carefully managed their differences while cooperating on issues of common interest, suggests that this is politically possible as well as strategically desirable. Despite an early crisis over the downing of a U.S. EP-3 reconnaissance plane in his first administration, President Bush dropped campaign rhetoric referring to China as a "strategic competitor" and adopted a strategic course with China that has followed the path of strategic engagement charted by his predecessors. The U.S. and China sought to improve relations and forge a cooperative relationship with China in the two-three months prior to the September 11th terrorist attack on the World Trade Center and the Pentagon. After 9.11, relations continued improving as the two sides sought to forge closer cooperation, especially to counter global terrorism and proliferation of weapons of mass destruction (WMD).

The United States has encouraged China to take more responsibility as a global power. Deputy Secretary of State Robert Zoelleck's September 21, 2005, speech in New York called on China to become a "responsible stakeholder" that not just benefits from the international system but that will work with the United States "to sustain the international system that has enabled its success."[xxxvii] Zoelleck made a simple but compelling case for wide-ranging U.S.-China cooperation: "Picture the wide range of global challenges we face in the years ahead-terrorism and extremists exploiting Islam, the proliferation of weapons of mass destruction, poverty, disease-and ask whether it would be easier or harder to handle those problems if the United States and China were cooperating or at odds." Secretary of State Condolezza Rice had said earlier in Tokyo that "we want China as a global partner, able and willing to match its growing capabilities to its international responsibilities."[xxxviii] Secretary Rice praised China's role in the Six-Party talks and added that "we welcome China's support for the democratic government of Afghanistan. We appreciate China's efforts to ensure stability in South Asia, and its support in the global war on terrorism—including joining our Container Security Initiative. And we look forward to working with China on other issues, to see if we can forge a common approach to the challenges of Sudan and Burma and Nepal." In June 2004, then Assistant Secretary of State James Kelly also praised the unprecedented cooperation that had developed with China in congressional testimony, remarking: "In the key areas of security, by being a strong and reliable partner on the counter-terrorism front and an active participant in the Six-Party Talks, China has proven helpful in enhancing regional stability. It also shows promise that it is prepared to take on global responsibilities."[xxxix]

The new level of cooperation in Sino-U.S. relations has not, of course, signaled the end of differences between the two countries,[xl] which continue to have serious differences on Taiwan, human rights, trade and other bilateral issues. Deep suspicions remain in each country of the other side's strategic intentions. And the United States still has not settled on how to accommodate the rise of China. Moreover, building strategic trust and a more "normal" relationship between China and the United States will likely be a long-term enterprise. Nevertheless, there is a possibility that the two countries can consolidate a more stable, cooperative and productive relationship in the next few years.

There are key general areas in which the U.S. and China share common interests and can benefit from cooperation in an increasingly globalized world but which could also lead to divergent actions, misunderstandings and conflict if there is little dialogue and mutual understanding. These issue areas include:

· Meeting the challenges of weak, failing and failed states and transnational threats, including proliferation, terrorism, crime, disease, regional conflict, environmental degradation, etc. The U.S.-China Global Issues Forum announced April 13 highlights the potential for the U.S. and China to find areas of agreement and cooperation on the above range of issues.xli

· Managing the world economy to maintain economic growth, expand free trade and minimize the impact of disruptions and instability produced by globalization.

· Forging a common approach to energy security to maintain open access to energy resources and low energy prices while developing and expanding use of renewable energy resources.

· Managing and developing Asian multilateral cooperation in the security and economic realms while ensuring that the United States maintains a leading role and robust military capabilities in the Western Pacific.

· Working together to strengthen reform and develop international institutions to meet the twin strategic challenges of the 21st Century.

· Managing Cross-Strait relations to maintain stability and foster a cross-Strait dialogue that leads to agreement on a long-term modus vivendi and even a final arrangement between Taiwan and the Mainland.

The future of the Taiwan problem and the North Korean nuclear issue will both be critical to the long-term future of Sino-American relations and U.S.-China strategic cooperation. U.S.-China strategic cooperation will be significantly enhanced if the North Korean nuclear weapons issue is successfully and peacefully resolved with critical help from China. Such an outcome would both enhance regional and global stability and demonstrate the value to critics in the U.S. and China of a Sino-American strategic partnership, increasing prospects for cooperation in other crucial areas, especially on China's periphery from Central Asia through South and Southeast Asia, and on transnational threats. It also could pave the way for a new security mechanism for Northeast Asia and even the entire region that built on the mutual confidence and cooperation forged in the Six-Party Talks, especially between China and its neighbors as well as with the US, while building on the existing structure of U.S. bilateral alliances.

Even more important for the future of Sino-American relations than joint success on the Korean Peninsula would be the establishment of a stable modus Vivendi between Taiwan and the Mainland-perhaps with the U.S. playing the role of a facilitator. This would remove or at least mitigate the most dangerous uncertainty in U.S.-China relations that currently has the potential to undermine U.S.-China ties and even draw the United States and China into a military conflict. Peacetime preparation for possible military conflict against each other-put another way, Chinese planning for possible attacks on U.S. forces-is unique in U.S. relations with globalizing states. None of the other major states have a foreseeable reason to use military force against the United States and none is preparing specifically to so. Creating a framework for long-term peace and stability in the Taiwan Strait would at least ease the military competition between the U.S. and China and even raise the possibility of U.S.-China military cooperation, including in efforts to maintain security of sea lanes for commerce and energy supplies. In any case, a significant diminution of the possibility of conflict over Taiwan would likely ease strategic suspicions between the two countries and strengthen the ability of the bilateral relationship to manage globalization's disruptive contradictions that will complicate and constantly threaten to undermine bilateral ties.

While the U.S. needs to approach Sino-American relations with caution, especially regarding the course of China's future development and international ambitions and behavior, it would also seem prudent to explore a future U.S.-China relationship that could provide substantial strategic benefits to the United States. This could include a close partnership with the United States on a wide range of issues of strategic importance to both countries. Such a relationship with China may be of increasing importance to the U.S. due to both the growing impact of China on the world economy and U.S. economic prosperity and to the potential for new crises and dangers emanating from failing states and transnational issues that require international cooperation. A habit of cooperation may reinforce U.S.-China strategic cooperation and a more "normal" relationship between the two countries. Such a trend in U.S.-China relations might also create more space for the Chinese leadership to move forward with political reform internally, although that is a more speculative conclusion.

The United States may place additional emphasis on the importance of China as a "strategic partner" in the future if relations with European allies remain troubled by differences over the war in Iraq and other the U.S. foreign policies and the Europeans focus more on internal matters of the European Union (EU). China, like the United States, is freer to act independently of other nations than are the major powers in Europe, which are increasingly entangled in the EU and its efforts to forge a common foreign and security policy. Although European powers may act bilaterally with the United States on some issues, they all face pressure from other European states and from their publics to adhere to a common EU foreign policy. Yet, the EU finds it difficult to reach consensus on controversial issues like Iraq and even on further steps toward European unity as indicated by the French and Dutch rejection of the European Constitution. Thus, the development of a united Europe acting as a unitary state on foreign and defense policy in partnership with the United States may be a long way off. China, on the other hand, has no such constraints from other states and is less restrained by public opinion. The United States and China, indeed, although not sharing many of the values that are common to the U.S. and its European allies,[xlii] are the two major powers most able to act independently and decisively should their political leaders deem it desirable to do so. And on many issues of strategic importance to the United States, especially in Asia, China may have more influence than any other potential partner, including even Japan. Japan is likely to continue to be more limited in its freedom of action than China, especially due to its history, even though Japan continues to be the most important U.S. ally in

any other potential partner, including even Japan. Japan is likely to continue to be more limited in its freedom of action than China, especially due to its history, even though Japan continues to be the most important U.S. ally in the region. And China, not Japan, has emerged as the engine of growth for East Asia-including Japan's emergence from its decade-long economic stagnation-and a nascent global power. Whether the U.S. and China will choose to act together to meet strategic challenges, however, remains highly uncertain. Moreover, it is also essential that the United States develop and pursue a compatible if not common strategy toward China with the Europeans to ensure that China's rise-and either closer Sino-American cooperation or exacerbation of Sino-U.S. differences and tensions does not drive the U.S. and Europe further apart.[xliii]

Conclusion

The economic and political "rise" of China in East Asia has been "the story" in the region and indeed the world in the past two years and is likely to continue to be for years and perhaps decades to come. China's rise remains a complex and confusing conundrum for American leaders, analysts, and the public. Making sense of the Chinese puzzle and how to manage the rise of China, India and other powers in the coming century will nevertheless be critical to U.S. interests and to global stability and prosperity. This is particularly true for U.S. leaders, who will have a significant influence on how China-and other rising powers-adapt and integrate into the global economy and strategic context.

The United States has played a decisive role in China's rise, dating back to President Richard Nixon's foresightful 1971—1972 opening to the People's Republic after more than two decades of hostile isolation. Indeed, Nixon had warned in 1967 that "taking the long view, we simply cannot afford to leave China forever outside the family of nations, there to nurture its fantasies, cherish its hates and threaten its neighbors."[xliv] The world "cannot be safe until China changes," Nixon added, noting that China must be persuaded that its own national interest requires "turning inward toward the solution of its own domestic problems." Nixon and all his successors have followed some variation of a strategy of "strategic engagement" with China aimed at supporting China's opening up and economic reform policies premised on the assumption that a developing China that brings its people out of poverty, builds a modern economy, and becomes interdependent with the world economy is more likely to support the world system and act as a responsible power than would a weak and alienated China.[xlv]

China's success has been faster and more far-reaching than most observers ever imagined not only at the time of normalization in 1979 but even a decade ago, however. Now China's success-which U.S. strategy and policy has continued to help foster in a myriad of ways for more than three decades-is creating anxiety in the U.S. and around the world. The alternative to China's succeeding, however, might be even more disconcerting. A weak, crisis-ridden and economically failing China could be highly destabilizing for Asia and the world, a net drain on the global economy rather than one of its key engines of growth, and a serious blow to the health of the U.S. economy.

The "rise of China" should not be overestimated either by the United States or the Chinese themselves, however. Many people in the U.S. overestimated the comprehensive national power of the Soviet Union in the 1970s and of Japan in the 1980s, predicting first the Soviet Union and then Japan would displace the United States as the number one power in the world-predictions that seem laughable today. China's undeniably enhanced power and growing global impact-while clearly destined to "move around the heavy furniture" of geopolitics should not be viewed without considering a comprehensive picture that includes China's structural weaknesses and the extraordinary challenge it faces in seeking to sustain economic growth, maintain political stability, and address the enormous and intractable internal problems that threaten to slow and even reverse its forward trajectory. Moreover, while the United States faces its own internal problems and challenges to maintaining its economic health and competitiveness, for the foreseeable future the U.S. is likely to remain the number one power globally, the indispensable power in Asia and a vital strategic partner for China.[xlvi] And in the military realm, while China's growing military capability is worrisome for the U.S. in some scenarios, especially regarding a conflict in the Taiwan Strait, China does not appear capable even if that were its strategic goal of becoming a military "peer competitor" in the foreseeable future and may be falling further behind the U.S. technologically as the United States spends an order of magnitude more on defense every year.[xlvii]

The globalization process has created new strategic realities facing globalizing states that are likely to shape their foreign and security policies. This new strategic environment is creating a strategic interdependence that likely will constrain the United States and China from pursuing zero-sum strategies toward each other. At the same time, the

twin strategic challenges of managing the world of globalizing states and coping with the world of the least globalized, weak and failing states and transnational threats are increasing common interests and strategic imperatives for China and the United States (and other globalizing states) to enhance their bilateral and multilateral cooperation to defend and maintain a mutually beneficial global system, despite differences on specific issues and continued economic and political competition within that system. These twin strategic challenges are likely to be the strategic focus of the U.S. and China not a new Sino-U.S. Cold War of zero-sum, strategic competition.

The contradictions among increasingly mutually dependent and mutually vulnerable (though not always equally so) globalizing states that are created or exacerbated by globalization will complicate efforts to develop and maintain strategic cooperation among these states, however. These contradictions will exacerbate domestic political pressures on political leaders to act internationally in ways they may believe are detrimental to their nation's long-term interests. In some crucial cases, situations may have to first reach crisis proportions before national leaders can overcome domestic parochialism and resistance to engage in such strategic cooperation. Moreover, managing relations among the globalizing states will also be complicated by competition for political and economic advantage, strategic suspicions and balance of power politics-all of which are likely to be attenuated by globalization and strategic interdependence but none are likely to be eliminated in the foreseeable future. Nevertheless, it is also possible that U.S. and Chinese leaders will maintain a broader perspective on their common strategic interests and the need for the U.S.-China bilateral and multilateral cooperation to protect and advance those interests and therefore seek to prevent their bilateral differences, which are often exacerbated by domestic politics, from undermining the ability of the two countries to work together on a strategic level.

As in the past, U.S. policy will strongly influence whether the challenges of a rising China are addressed in a way that facilitates the further peaceful integration of China into the global and regional economic and strategic environment. The United States remains the most important actor in this complex situation of increasing economic integration with persisting and sometimes growing tensions among key states. And while U.S. alliances will continue to provide the bedrock of U.S. strategic policy in the Asia-Pacific region, the relationship between "rising China" and the "still rising United States" will be a key defining factor in the future of the Asia-Pacific and indeed of world politics in the coming century. The core question for the United States may be whether it is willing to accommodate a rising power which includes providing international space for that power and respecting its vital interests-or is committed to maintaining permanent global dominance and thus is determined to prevent the expansion of China's diplomatic and economic role in Asia and beyond, even if China behaves according to the international rule set that was largely forged under United States leadership since World War II. Although some U.S. leaders may prefer the latter course, the need for cooperation with China and U.S. resource limitations threatening "imperial overstretch" may nevertheless lead the United States to the former course, however reluctantly.[xlviii]

Appendix A: What Is Globalization

There is a lack of consensus on the significance and the meaning of the term globalization, including whether globalization is solely an economic process or a broader phenomenon.[xlix] Some globalization "skeptics" have argued that globalization is nothing new, but rather a pattern of international economic integration that has been going on-albeit with some interruptions-since the end of the 19th Century or even before. To support this view, skeptics have pointed out that the current scale of global trade is actually smaller than in the past; for example, trade flows as a percentage of GDP were even greater on the eve of World War I than they were in 2000. Others, while conceding this point, counter that the current era of globalization is qualitatively as well as quantitatively different from previous periods due to the "thickness" and greater complexity of networks of interdependence, which involve people from more regions and social classes than in the past.[l] Still others, foreign policy analysts in particular, argue that globalization, whether or not it is something new, has not fundamentally altered the structure or nature of the international system, which continues to be dominated by individual states caught in a zero-sum, anarchic world.[li]

Although there is little agreement among observers on a definition of the term "globalization," as well as heated debate on the costs and benefits of this phenomenon, the monumental qualitative and quantitative changes in the world political, social, and cultural as well as economic and technological-that have taken place in the last quarter of the 20th century and continue into the 21st justify the use of a term that differentiates the current period from that which came before. While imprecise and controversial, the term globalization is already recognized by both proponents and opponents and is accepted throughout the world to describe the current period.

A particularly useful definition of "globalization" that implicitly differentiates the current era from previous periods of extensive global trade is provided by former director of the Policy Planning Staff at the State Department, Richard Haass, currently President of the Council on Foreign Relations. Haass noted in 2001 that globalization "cannot be reduced to merely the sum of interactions between and among nation-states," but rather "is something more and something very different." Globalization, according to Haass, "is the totality and velocity of connections and interactions-be they economic, political, social, cultural-that are sometimes beyond the control or even knowledge of governments and other authorities." Moreover, Haass says, "globalization is characterized by the compression of distance and the increasing permeability of traditional boundaries to the rapid flow of goods, services, people, information, and ideas." In addition, globalization "is a multifaceted, transnational phenomenon" and, at the same time, is decentralized, emerging "from countless individual decisions and actions taken every day all around the world." Haass adds that as a result of the spread of open markets and open societies and the impact of new communication and information-processing technologies, "globalization has accelerated and fundamentally extended its reach."[lii]

Globalization is driven in large part by a basic characteristic of humanity-a continual process of innovation and change or, put differently, the unrelenting quest or motivation to improve ways of doing things, which produce changes in organizations, societies, nations and, indeed, the entire world. This drive for improvement and innovation is found in all fields of human endeavor, ranging from science and technology, to production and management, to war and politics, to culture and ideology. Over the centuries, the innovative impulse has created pressure on countries, societies, organizations and even individuals to keep up with an ever-changing "state of the art." In the period of globalization, this "state of the art" is disseminated internationally and sometimes almost instantaneously, through information technology as well as through global market forces, compelling others to adopt and adapt.

In the last quarter of the Twentieth Century, the rapid global dissemination of the "state of the art" coalesced with other political, social and diplomatic as well as economic and technological changes to produce the period of globalization. Although the process of innovation and obsolescence preceded the globalization era, a unique confluence of factors has helped to magnify this process. These factors include: a worldwide ideological and philosophical shift in support of market economies with more open political and economic systems [liii]; disillusionment with socialist policies in Western European capitalist economies; the failure of communism and subsequent collapse of the Soviet and Eastern European communist regimes[liv]; the accelerated integration of world economies after the demise of the bipolar structure based on two economic models, U.S.-led capitalism and Soviet-led socialism; and new advances in digital technology that have vastly expanded the quantity and sharply lowered the cost of international communications and financial transactions.

The process of continual innovation and obsolescence has led to the development and dissemination of new technologies and techniques that have improved people's lives and created tremendous-and unevenly distributed-wealth. This process, however, is also one of "creative destruction," that is deeply and broadly disruptive as it compels adoption of or adaptation to new ways of doing things but also leads to resistance from those who see it as threatening to their interests or values. Moreover, the disruptive effects of the new technologies and techniques often ripple out in unexpected and for many people undesirable-ways that profoundly affect the entire society. This can generate a strong and even violent backlash to the changes being wrought in the society, sometimes leading to extremist movements and fueling internal conflict and external terrorism.

This process has been increasingly unfettered since the end of the Cold War division of the world into two competing strategic, political and economic blocs and the "triumph" of the ideology of free markets, open societies and democracy. Moreover, globalization has increased the pace of innovations in many if not all areas of human activity that are occurring simultaneously or nearly simultaneously, amplifying the disruptive effects on societies and organizations. The resulting dislocations and social and economic disruption-and the fear of such dislocations-appear to be a major stimulus of an anti-globalization, nationalistic backlash within societies and even globally. Western countries, especially the United States, which are frequently the source of innovation, are often viewed as the leader and key benefactor of globalization at the expense of others and thus often are the key targets of globalization's opponents. Although of perhaps unprecedented intensity and scope, such backlash is in fact is a common response to the process of relentless innovation.

Appendix B: Joint Press Statement on the U.S.-China Global Issues Forum

The following is a joint press statement issued at the conclusion of the April 13 U.S.-China Global Issues Forum:

The United States and the People's Republic of China held the inaugural U.S.-China Global Issues Forum in Washington on April 13, 2005. Under Secretary of State for Global Affairs Paula Dobriansky and Assistant Minister of Foreign Affairs Shen Guofang led interagency delegations, with the participation of relevant bureaus and offices of the Department of State and Ministry of Foreign Affairs, as well as other U.S. and Chinese agencies.

The objective of the Global Issues Forum is to identify ways to strengthen cooperation between the United States and China on transnational issues and to explore new avenues of joint work on a global basis. In addition, the Forum seeks to enhance U.S.-China cooperation on global issues in international institutions.

The inaugural session focused on U.S. and Chinese activities around the world and the potential to cooperate globally across four clusters of issues: clean energy and sustainable development; humanitarian assistance, poverty alleviation, and development financing; law enforcement; and public health.

In the area of sustainable development and clean energy, the two sides discussed a range of global environmental issues such as biodiversity conservation, persistent organic pollutants, climate change, international clean energy cooperation; coordination to realize the goals of the World Summit on Sustainable Development; environmental partnerships; and the prospects for concerting U.S. and Chinese policies in fora such as the Commission on Sustainable Development and on cooperative initiatives relating to cleaner and more efficient use of existing fuels, development of new energy technology such as hydrogen, reducing greenhouse gas emissions from electric power plants, and collaborating to improve access to cleaner and modern energy in poorer regions of the world.

The humanitarian assistance, poverty alleviation, and development financing segment examined how donor governments can work to support and improve international response to humanitarian crises; aid financing mechanisms; and Millennium Development Goals.

The session on law enforcement focused on ways to combat transnational criminal activity, including bilateral, multilateral and global law enforcement initiatives, and cooperative efforts to counter, among other crimes, cybercrime, corruption, intellectual property crime, and trafficking-in-persons.

Discussion of public health issues included experiences with SARS and avian influenza; international cooperation to enhance surveillance of infectious diseases; and policy and technical tools to combat outbreaks of disease.

The two sides agreed to continue their dialogue on these and other global issues of common concern, and to convene the Global Issues Forum annually at the current level to review progress and determine future activities in these and other areas, and that the second such Forum should be held in China in the first half of 2006. They agreed that the discussion in the Global Issues Forum was productive and that the Forum adds a new dimension to the steadily broadening and deepening U.S.-China relationship.

References

[i] Wang Jisi, one China's most influential foreign policy and U.S. experts, maintains that "the Chinese projection of the 'inevitability of multipolarity' does not prevent them from noting, at least privately, the 'tide of the day' is otherwise—the United States will remain the only global hegemonic power for decades to come. Chinese policy analysts, being realists, have few illusions about the feasibility of formulating a lasting international coalition that could serve as the counterforce to U.S. power. China has neither the capability nor the desire to take the lead in formulating such a coalition, let alone confronting U.S. hegemony by itself." Wang Jisi, "China's Changing Role in Asia," republished by the Atlantic Council of the United States, January 2004, www.acus.org/Publications/occasionalpapers/Asia/WangJisi Jan 4.pdf.

[ii] See, for example, John F. Mearsheimer, "The Future of the American Pacifier," *Foreign Affairs*, Vol. 80, No. 5, September/October 2001. For a critique of Mearsheimer and the Realist's assessment of China's rise, see Banning Garrett, "The" Strategic Straitjacket: "The United States and China in the 21st Century," in *Strategic Surprise: U.S.-China Relations in the Early 21st Century*, edited by Jonathan Pollack (Newport, R.I.: Naval War College Press, 2004), also available at: http://www.acus.org/Publications/occasionalpapers/Asia/Garrett_Strategic_Straitjacket_Oct 03.pdf.

[iii] *The National Security Strategy of the United States of America* (The White House: September 2002), p.4.

[iv] "Defining U.S. foreign policy in a Post-Post-Cold War World," Ambassador Richard N. Haass, Director of Policy Planning Department, Department of State, remarks to the Foreign Policy Association, New York, 22 April 2002.

[v] Speech to Parliament of Singapore, 5 June 2004. Rumsfeld stressed the importance of multilateral approaches to deal with the threats facing the United States and the rest of the world. "People in the United States understand that no country can function in this world unilaterally. There are things that simply can't be done by any one country or any small aggregation of countries. It requires the cooperation of like-thinking people all across the globe. That's what the United States has tried to do." As are a result of this new strategic reality, Rumsfeld said, the United States is: strengthening its partnerships with existing allies and friends and working with new ones; developing greater flexibility to deal with the unexpected; focusing on more rapidly deployable capabilities and power rather than simply static presence and mass; and breaking down artificial barriers between regions in planning. Secretary of Defense Donald H. Rumsfeld, Speech to Parliament of Singapore, 5 June 2004.

[vi] Globalizing states also face common dangers from terrorists operating within globalizing states, including not only Al-Qaeda affiliated or emulating terrorist cells but also home-grown bio or cyber terrorists. See Sir Martin Rees, *Our Final Hour: A Scientist's Warning: How Terror, Error and Environmental Disaster Threaten Humankind's Future in This Century-on Earth and Beyond*, Basic Books: New York, 2003.

[vii] This view is consistent with that of Thomas P.M. Barnett in his path-breaking study, *The Pentagon's New Map*, G.P. Putnam's Sons: New York, 2004, which refers to the "functioning core" and the "non-integrating gap."

[viii] See Robert D. Kaplan, "How We Would Fight China," *The Atlantic Monthly*, June 2005. See also a comment on the Kaplan article from the same issue of the *Atlantic* by Benjamin Schwarz, "Managing China's Rise: Contending Effectively with China's Ambitions Requires a Better Understanding of Our Own." For a sharp critique of Kaplan, see Thomas Barnett, "Kaplan's Strategic Lap Dance for the U.S. Navy and Pacific Command," http://www.newrulesets.com/journals/barnett 6may2005.doc.

[ix] *Mapping the Global Future* (Government Printing Office, Washington, D.C., December 2004) p.47. The report is based on consultations with nongovernmental experts around the world.

[x] See Appendix A, "What is Globalization?"

[xi] Fariborz Ghadar and Erik Peterson, *Global Tectonics: What Every Business Needs to Know*, The Penn State Center for Global Business Studies, 2005.

[xii] Ibid.,pp.46-47.

[xiii] See *Mapping the Global Future*, "The Contradictions of Globalization," pp.27-37, for a discussion of these and other trends that that are judged likely to shape the global future.

[xiv] See Fariborz Ghadar and Erik Peterson, *Global Tectonics*, Section One: People and Environment, pp.9-41.

[xv] "For example, human population growth affects all 11 other problems: more people means more deforestation, more toxic chemicals, more demand for wild fish, etc. The energy problem is liked to other problems because use of fossil fuels for energy contributes heavily to greenhouse gases, the combating of soil fertility losses by using synthetic fertilizers requires energy to make the fertilizers, fossil fuel scarcity increases our interest in nuclear energy which poses potentially the biggest" toxic"problem of all in case of an accident, and fossil fuel scarcity also makes it more expensive to solve our freshwater problems using energy to desalinize ocean water. Depletion of fisheries and other wild food sources puts more pressure on livestock, crops, and aquaculture to replace them, thereby leading to more topsoil losses and more eutrophication from agriculture and aquaculture. Problems of deforestation, water shortage, and soil degradation in the Third World foster wars there and drive legal asylum seekers and illegal emigrants to the First World from the Third World." Jared Diamond, *Collapse: How Societies Choose to Fail or Succeed*, Viking Press: New York, 2005, pp.497-498.

[xvi] Ibid., p.498.

[xvii] For a critique of Diamond's study as too pessimistic, see Gregg Easterbrook, "'Collapse': How the World Ends," *New York Times Sunday Book Review*, 30 January 2005.

[xviii] Thomas Friedman maintains that Al Qaeda has learned to use the instruments for global collaboration of what he calls the "flat world" of the latest stage of globalization that in which technological and political forces have converged to produce a "leveling of the playing field" globally by producing a web-enabled playing field that allows for multiple forms of collaboration without regard to geography or distance. Al Qaeda, Friedman says, has created "mutant global supply chains" for the "purpose of destruction, not profit." They "don't need investors, only recruits, donors and victims. Yet these mobile, self-financing mutant supply chains use all the tools of collaboration offered by the flat world-open-sourcing to raise money, to recruit followers and to stimulate and disseminate ideas; outsourcing to train recruits; and supply-chaining to distribute the tools and the suicide bombers to undertake operations." Thomas L. Friedman, *The World is Flat: A Brief History of the 21st Century* (Farrar, Straus and Giroux: New York, 2005), pp.429-430. In a recent interview, Friedman further explains that with Al Qaeda in Iraq, we're up against a suicide supply chain. You take one bomber and deploy him in Baghdad, and another is manufactured in Riyadh the next day. It's exactly like when you take the toy off the shelf at Wal-Mart and another is made in Shenzhen the next day. *Wired Magazine*, May 2005, p.153.

[xix] *Mapping Global Futures* asserts that the likely emergence of China and India as major new global players "will transform the geopolitical landscape." p.9.

[xx] China and the world economy have become extraordinarily dependent on Taiwan's technological role-in combination with China's manufacturing platform-for high-tech, computer-related products from chips to laptop PCs, PDAs and digital cameras. See "Why Taiwan Matters," *Business Week* Special Report, 16 May 2005.

[xxi] China's impending water crisis is noted by *The Economist*, 21 May 2005, "Drying Up: The Chinese Must Act Fast to Conserve their Country's Shrinking Water Supply." See also Elizabeth Economy, *The River Runs Black*: *The Environmental Challenge to China's Future,* Council on Foreign Relations (Ithaca, New York: Cornell University Press, 2004).

[xxii] "Learning From China: Why the Western Economic Model Will not Work for the World," Earth Policy Institute, March 9, 2005. Many experts maintain, however, that the world is not running out of oil and that production can be significantly increased. See, for example, "Will the World Run Out of Oil?," *Economist*, February 8, 2001, and M.A. Adelman, "The Real Oil Problem," *Regulation*, Spring 2004.

[xxiii] Pan Zhongying, "China's Changing Attitude to UN Peacekeeping," *International Peacekeeping*, Vol. 12, No. 1, Spring 2005, p.91.

[xxiv] For two excellent assessments of China growing influence in Asia-and its limitations-see Robert Sutter, *China's Rise in Asia: Promises and Perils* (Rowman and Littlefield Publishers: New York, 2005), and David Shambaugh, "China Engages Asia: Reshaping the Regional Order," *International Security*, Vol. 29, No. 3 (Winter 2004/05).

[xxv] See Banning Garrett and Jonathan Adams, "U.S.-China Cooperation on the Problem of Failing States and Transnational Threats," *Special Report* no. 126, United States Institute of Peace, September 2004.

[xxvi] See for example, Evan Medeiros and Taylor Fravel, "China's New Diplomacy," *Foreign Affairs*, November/December 2003.

[xxvii] The Chinese have been debating a new foreign policy formulation proposed by senior advisers to the leadership that refers to a "peaceful rising China." The leadership backed off this formula at one point, referring instead to "peaceful development of China." Some critics in China had suggested that China, with all of its internal problems and continued poverty and backwardness in many areas, was not really "rising," while others have argued that the term "rising" sounds threatening to the rest of the world. Still others suggested that China's rise may not be peaceful if it is compelled to use force to prevent Taiwan independence. And for the U.S., China's policy toward Taiwan is likely to be if not a "litmus test" of its overall foreign policy at least a key indicator of whether China will be a "peaceful" rising power.

[xxviii] See Wang Jisi, op. cit., for an excellent and comprehensive explanation and analysis of China's view of the world and its policy and strategy toward the United States.

[xxix] While there is growing acceptance of this view in China, many Chinese have reacted to the U.S. conduct of the Iraq war and the "Bush Doctrine," including the notion of pre-emptive war, by questioning whether the U.S. is acting as a "benign" or malevolent hegemon-concerns exacerbated by Taiwan's political evolution and by U.S. policy toward Taiwan. Some of this concern could diminish, however, in response to a renewed U.S. emphasis on multilateral cooperation and greater restraint in the use of U.S. military power in the aftermath of the Iraq debacle. Moreover, if the Six-Party Talks produce a positive outcome on the North Korea nuclear weapons issue, the Chinese could be further reassured about U.S. strategic intentions. But China's view of U.S. foreign policy and its "hegemonic" behavior ultimately is likely to be shaped more by U.S. policy toward Taiwan than any other issue.

[xxx] Richard N. Haass, op. cit.

[xxxi] The administration denies charges that it has pursued a unilateralist foreign policy and has abandoned multilateralism, arguing that it has sought "coalitions of the willing," UN approval for its actions and NATO involvement in the wars in Afghanistan and Iraq. Moreover, Secretary of Defense Rumsfeld has stressed the importance of multilateral approaches to deal with the threats facing the United States and the rest of the world. "People in the United States understand that no country can function in this world unilaterally. There are things that simply can't be done by any one country or any small aggregation of countries. It requires the cooperation of like-thinking people all across the globe. That's what the United States has tried to do." Secretary of Defense Donald H. Rumsfeld, Speech to Parliament of Singapore, 5 June 2004.

[xxxii] See Thomas L. Friedman, op. cit.

[xxxiii] This is noted in *Mapping the Global Future*, p.33.

[xxxiv] This argument is made by Robert Wright in *Non Zero: The Logic of Human Destiny* (Pantheon Books: New York, 2000). See especially chapter 15.

[xxxv] See Niall Ferguson, "Sinking Globalization," *Foreign Affairs*, Vo. 84, No.2, March/April 2005, for a discussion of various scenarios that could undermine globalization and even lead to a new world war. "We all know that another, bigger September 11 is quite likely; it is, indeed, bin Laden' stated objective. We all know-or should know-that a crisis over Taiwan would send huge shockwaves through the international system; it could even lead to a great-power war. We all know that revolutionary regime change in Saudi Arabia would shake the world even more than the 1917 Bolshevik coup in Russia. We all know that the detonation of a nuclear device in London would dwarf the assassination of Archduke Ferdinand as an act of terrorism." Ferguson emphasizes the parallels between the globalization that occurred before World War I and the current period of globalization as the basis of his concern about a replay of the early 20th Century. In my view, outlined in Appendix A, the current globalization era is different in fundamental ways—and the likelihood of war between globalizing states, especially the U.S. and China is limited by both strategic interdependence and nuclear deterrence despite the Taiwan danger. But the potential shocks to globalization that Ferguson outlines could shake the foundations of globalization without leading to a new world war. In fact, the opposite could occur—that is, the major powers could pull close together in response to the crisis in recognition of the win-win, lose-lose nature of the globalizing world. For a discussion of "bio and cyber error and terror" as well as potential environmental disasters and physics experiments that could go awry, see Sir Martin Rees, *Our Final Hour: A Scientist's Warning: How Terror, Error, and Environmental Disaster Threaten Humankind's Future in This Century-on Earth and Beyond* (New York: Basic Books, 2003).

[xxxvi] This view is expressed by U.S. military personnel to Robert Kaplan in "How We Would Fight China," op. cit.

[xxxvii] Robert B. Zoellick, Deputy Secretary of State, "Whither China: From Membership to Responsibility?," Remarks to National Committee on U.S.-China Relations, New York City, September 21, 2005.

[xxxviii] Remarks at Sophia University, Tokyo, 19 March 2005.

[xxxix] James A. Kelly, Assistant Secretary of State for East Asian and Pacific Affairs, testimony before the House International Relations Committee, Washington, D.C., 2 June 2004.

[xl] Colin L. Powell Remarks at the Elliott School of International Affairs, George Washington University, September 5, 2003.

[xli] See Appendix B for the text of the "Joint Press Statement on the U.S.-China Global Issues Forum."

[xlii] See David Shambaugh, "The New Strategic Triangle: U.S. and European Reactions to China's Rise," *The Washington Quarterly*, Summer 2005, pp.12-13.

[xliii] Former U.S. Ambassador to China, J. Stapleton Roy, warns that "the degree of parallelism in our (U.S. and Europe) responses will determine whether the rise of Asia, and of China in particular, strengthens common interests between Europe and the United States or accentuates our differences. The stakes, therefore, are enormous. If the rise of China causes the United States and Europe to drift further apart, while at the same time driving Japan and the United States closer together, the impact on both the global and regional balance will be profound." Barnett-Oksenberg Lecture on Sino-American Relations, February 28, 2005, *Notes*, The National Committee on United States-China Relations, Winter/Spring 2005, Vol. 33, No. 1, pp.14-17.

[xliv] Richard Nixon writing in *Foreign Affairs*, October 1967, cited by Patrick Tyler, *A Great Wall: Six Presidents and China: An Investigative History*, Century Foundation Book: New York, 1999, p.42.

[xlv] "For three decades, seven Administrations have sought to integrate China and its people into the international system. We have succeeded in developing a bipartisan policy that has met with considerable success since 1972. Today's challenge is different from 30 years ago: the key question is how a more integrated and powerful China uses its growing influence and whether it will do so in concert with the United States and its allies. Will it accept the challenge of the international community to help enhance the peace, prosperity, and stability of the region and in doing so, positively change the international system as we know it today?" Assistant Secretary of State for East Asia, Christopher Hill, testimony before the Senate Foreign Relations Committee, Subcommittee on East Asian and Pacific Affairs, June 7, 2005.

[xlvi] The large-scale U.S. response to the December 2004 South Asian Tsunami catastrophe demonstrated to Asian countries the formidable and currently irreplaceable role of the United States and U.S. military forces in the region and the relatively limited reach and influence of China." ...the relief effort showed the limits of China's ability to project either soft or hard power into the region. The scale of other countries' relief efforts, in terms of practical effect as well as financial promises, has dwarfed China's assistance... The contrast with often extravagant claims made over the last decade within and beyond the region regarding China's burgeoning economic power and military power projection capabilities on the one hand, and the reality of China's limited capacity on the other, has been striking. This reality check represents a notable development in the low-key competition between Washington and Beijing for influence in the region and may, at least in small measure, encourage Southeast Asian governments to view with greater skepticism China's current drive to extract political advantage from its economic and military potential." Tim Huxley, " The Tsunami and Security: Asia's 9.11?", *Survival*, Vol. 47, no. 1, Spring 2005, p.127.

[xlvii] The Bush Administration is determined to maintain that U.S. lead indefinitely. President Bush's *National Security Strategy* maintains that U.S. forces will be "strong enough to dissuade potential adversaries from pursuing a military build-up in hopes of surpassing, or equaling, the power of the United States." Op. Cit. p.30. While this commitment may be unrealistic in the long run, "it does not seem that likely that China or any other power could pose a challenge to this dominance in the foreseeable future." *Mapping the Global Future* notes, however, that "while no single country looks within striking distance of rivaling U.S. military power by 2020, more countries will be in a position to make the United States pay a heavy price for any military action they oppose." Op. Cit. p.17.

[xlviii] Ambassador Stapleton Roy, currently Managing Director of Kissinger Associates, warns that "U.S. resources are not sufficient to maintain a hegemonic position in the world. Trying to do so will result in imperial overstretch, that is, in a situation where our resources are insufficient to support our goals.... the most daunting task for the United States will be to recognize the dangers of being a sole superpower and to make the adjustments in our thinking and our foreign policy necessary to contemplate a global system in which there is room at the table for a stronger and more prosperous China. A necessary proviso, of course is that China continues to respect the interests of other countries and does not embark on policies that make international conflict more likely. If, on the other hand, the United States persists in the goal of maintaining global hegemony, then China's rise will sooner or later pose a threat to continued U.S. supremacy, and the outlook for Sino-U.S. relations will be clouded. In my mind, the choice is not a difficult one. There will be enormous benefits for the United States if we rely on diplomacy to support the adjustments in East Asia that inevitably must accompany China's rise to great power status, and to promote a stable and mutually beneficial regional and global balance. Under such circumstances, China's rise need not be seen as threatening." Barnett-Oksenberg Lecture on Sino-American Relations, op. cit.

[xlix] This appendix is based on "A New Angle of Vision on Globalization and Its Consequences," an unpublished manuscript by Banning Garrett and Dennis M. Sherman.

[l] See, for example, Joseph S. Nye, Jr., *The Paradox of American Power: Why the World's Only Superpower Can't Go It Alone*, New York: Oxford University Press, 2002, p.78.

[li] See Samuel S. Kim, "East Asia and Globalization: Challenges and Responses," *in East Asia and Globalization*, edited by Samuel S. Kim (Boston: Rowman and Littlefield, 2000), pp.2-5, for a useful summary of the schools of thought regarding globalization.

[lii] Ambassador Richard Haass, Director, Policy Planning Staff, Department of State, remarks to the National Defense University, Washington, D.C., September 21, 2001.

[liii] See Daniel Yergin and Joseph Stanislaw, *The Commanding Heights: The Battle Between Government and the Marketplace That Is Remaking the Modern World,* Touchstone: New York, 1998, pp.9-18.

[liv] This process underlying globalization helped create the conditions that led to the collapse of communism as the Soviet Union and other communist countries on the one hand and the acceleration of technological development on the other, quickening the pace of globalization economic integration the wiring up of the global information village. After the end of the Cold War division of the world, including of the world economy, the new conditions of globalization further unfettered this relentless process of innovation, leading to its acceleration and thus further accelerating the globalization process, as seen especially in information technology.